Half-an-hour debate on Mysore Supplement in "Blitz" Newspaper and grant of advertisements to Papers and Journals.

Mr. SPEAKER.—Sri N. C. Nagaiah Reddy has requested permission to raise a discussion on a matter of public importance which has been the subject-matter of Q. No. 149 included in the list for the 18th instant. The question relates to the Mysore Supplement in the "Blitz" and the granting of advertisements to Papers and Journals. Under Rule 39 (3), I hold that the matter is of sufficient public importance. It will be taken up tomorrow at the conclusion of the business of the day.

RECOMMENDATION FROM HIS HIGHNESS.

Mr. SPEAKER.—I have received an Order from His Highness the Rajpramukh which reads thus:

> "In pursuance of clause (1) of Article 207 of the Constitution of India, I. Jaya Chamaraja Wadiyar, Rajpramukh of Mysore, do hereby recommend that the Mysore Appropriation Bill, 1954, be introduced and moved in the Mysore Legislative Assembly."

This Bill will be considered till 12 and then the Rules will be taken up.

Now the next item is Papers laid on the Table.

Minister's Statement re. *Information promised to be given to Q. 143.*

Sri H. SIDDAVEERAPPA (Minister for Home and Industries).—Sir, yesterday I promised that I would give some figures. While replying Q. 143 tabled by Sri B. Narayanaswamy, Sri M. V. Rama Rao put a supplementary which referred to cases of other kinds of gambling. Now I have information to say that this figure that I gave yesterday refers exclusively to *satta* gambling as has been passed by this House in Mysore Police (Second Amendment) Act, 1953. There are other kinds of cases of gambling also launched: Bangalore North 18 cases; Bangalore South 23; Mysore City 55; in all 96 cases have been launched out of which 87 have been convicted and 2 acquitted and 7 are pending.

PAPERS LAID ON THE TABLE.

(1) LIST OF PROMISES MADE BY GOVERNMENT DURING PREVIOUS SESSION AND ACTION TAKEN.

Sri A. G. RAMACHANDRA RAO (Minister for Law and Education).—Sir, I lay on the Table of the House a list of promises made by Government during the previous Session and action taken thereon.

Copies have been distributed to Hon'ble Members.

(2) RECOMMENDATION OF THE HOUSE COMMITTEE OF THE ASSEMBLY AND ACTION TAKEN.

Sri R. CHENNIGARAMIAH (Deputy Speaker).—Sir, I beg to lay on the Table of the House the recommendations of the House Committee of the Legislative Assembly and action taken thereon.

Copies are distributed already.

Sri A. BHEEMAPPA NAIK (Molakalmuru).—About some of these recommendations and action taken thereon that have been laid on the table, canwe not have an occasion to say oneor two words, Sir?

Mr. SPEAKER.—Not at this stage. If the Member so desires, time will be fixed separately for that.

Sri A. BHEEMAPPA NAIK.—It is better, Sir, that an opportunity is given.

Mr. SPEAKER.—I will consider. Now the Appropriation Bill will be introduced.

MYSORE APPROPRIATION BILL, 1954.

Introduction.

Sri A. G. RAMACHANDRA RAO (Minister for Law and Education).—Sir, I introduce the Mysore Appropriation Bill, 1954, which has been published in the *Mysore Gazette* Extraordinary dated 21-1-1954 under Rule 48 of the Rules of Procedure and Conduct of Business in the Mysore Legislative Assembly.

This Bill is introduced in pursuance of Article 204 (1) of the Constitution of India read with Article 205 relating to the Appropriation of the Consolidated Fund of the State of the moneys required towards defraying further charges which will come in course of payment during the financial year 1953--54 ending 31st March 1954.

Motion to consider.

Sri A. G. RAMACHANDRA RAO.—Sir, I beg to move :

> "That the Mysore Appropriation Bill, 1954, be taken into consideration."

Mr. SPEAKER. —Motion moved :

> "That the Mysore Appropriation Bill, 1954, be taken into consideration."

Sri J. MOHAMED IMAM (Jagalur).—Sir, it is my sacred duty to oppose this Bill. The Minister for Law has introduced this Bill without an explanation. I am sorry the Finance Minister is absent.

Sri A. G. RAMACHANDRA RAO.—He is not well.

Sri J. MOHAMED IMAM.—I am sorry to hear that. Anyhow I expected the Minister, while introducing this important Bill, would place before us information to dispel doubts that were expressed by us when the Demands were being discussed. Sir, the Appropriation Bill is a very important Bill and by passing it this House is entrusting to the Government a huge amount for the various items of expenditure that have been mentioned. So it is quite necessary that the Government do place before us all the facts. For example, Sir, we expressed in the course of our discussions that many items of expenditure could have been anticipated and ought to have been included in the regular budget itself. For example, I can give one or two instances—shortages on account of supplying seeds to the extent of five lakhs; supplying gates to the K. R. Sagar and other items that are mentioned on page 54 of the Memorandum to the extent of 35 lakhs. Most of these that relate to old Mysore or to the State of Mysore other than transferred territory could have been included in the regular Budget. This shows want of foresight. Should not Government realise the implications of such a mistake as this will upset all their financial calculations ? Sir, it is stated in the Appropriation Bill :

> "The sums authorised to be paid and applied from and out of the Consolidated Fund of the State by this Act cover expenditure in the transferred territory and shall be appropriated for the services and purposes expressed in the schedule....."

According to this it looks that all the items of expenditure that have been mentioned here are meant for the sake of transferred territory. That is not the case. I think that out of the total amount of three crores and ten lakhs that is now asked for by Government, the amount needed for the transferred territory is one crore and sixty-one lakhs whereas for the rest of the territory of Mysore it is.....

Sri A. G. RAMACHANDRA RAO. —May I draw the attention of the Hon'ble member to the Bill and objects and reasons explained therein ?

Sri J. MOHAMED IMAM.—There is no mention of the other territory. That gives an idea that this amount is to be spent for the transferred territory alone.

Sir, of late we are having too many supplementary estimates. Unlike in the old days where supplementary estimates were very rare or it would be once

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at the end of the year, now we are having a series of supplementary estimates wherein Government wants more money to spend. This year in the month of September or so I believe about a crore and a half was asked for. I thought that would be the final budget for this year. Again they have come forward this time with a supplementary demand for three crores and ten lakhs. The amounts involved under the supplementary estimates are huge and the total supplementary demands will form nearly 50 per cent of the original estimate. This shows that the budget of the State is not sound and the Government are not sure of their own ground and what is more, it is dangerous to the State and to the people because we do not know our financial position nor the Government know their own financial position and it looks that the Government is groping in the dark not knowing what expenditure they have to incur and how to find out the necessary resources. I submit the fundamental principles of public finances are neglected. The Government must be sure of their financial position before they place these demands before this House.

Sir, I may give you another instance where Government is not quite vigilant. The Chief Minister the other day was pleased to tell us that all the treasuries in the transferred area on the 1st October were practically empty. In the Andhra Act it is provided that on 1st of October the State of Mysore is entitled to a certain proportion of the cash balances as determined on that particular day. So it was the duty of the Government to have taken all possible precaution in the interest of the State, in view of the fact that the treasury balance on 31st September was most important for our collection. Now they say, "the entire treasury was depleted: what to do, there was no money". This is not the way how the Government should act under such circumstances. We know that three States are concerned and law prescribes that we must get a due share. Government deputed an officer to Bellary District and that officer should have taken necessary steps and Government should have been vigilant. Till now they have not taken any steps in this behalf. Division of assets ought to have taken place by this time. You ought to have given us the information as to what the revenue of the transferred territory would be, what is the revenue that has accrued to the State of Mysore from 1st October till now. You have not given any indication. At least now you must let us know as to the revenue you derive from the transferred area so that we may know what the exact financial commitment will be. But you have not stated it either in the memorandum or in the Appropriation Bill. That shows you are taking things easy. So far as money matters are concerned we must be strict. Let us act justly and fairly.

Sir, let me just explain the financial implication and the financial position as to what it would be if we pass this supplementary demand. According to the Budget Estimates, Sir, we had to face a deficit of Rs. 1,57,33,000. This deficit had to be met from the closing balance of the last year and after meeting this deficit from the opening balance the closing balance would be Rs. 1,38,00,000. These are our means and after meeting the deficit of 1 crore and 57 lakhs, our closing balance would be Rs. 1,38,00,000. Since then we have passed two supplementary Appropriation Bills; the first one was to the extent of a crore and a half and now you want us to vote to the extent of 3 crores 10 lakhs. Now, let us consider the resources. The grant from the Government of India will be about a crore and a half. Our net extra liability will be to the extent of 2½ or 3 crores. How to meet this expenditure and what are the ways and means? Where are you going to get this money from? We are expected to vote all these items out of the Consolidated Fund. What is the extent of Consolidated Fund? According to my calculation, our Consolidated Fund, after meeting the deficit, would be only to the extent of 130 lakhs; it will be the closing balance. So, how to get this

amount? The Government have to explain this but have not thrown any light on this aspect. This is very important. The Government machinery must explain as to how they are going to meet this expenditure.

Sri A. BHEEMAPPA NAIK.—Consolidated Fund.

Sri J. MOHAMED IMAM.—Well, the Consolidated Fund consist of 138 lakhs according to the Budget Estimates! So, I must submit that the financial position is woeful.

Another point I have to submit is, under the Budget a sum of 562 lakhs has been provided for capital expenditure outside the revenue account. All this has to be met from grants from the Centre and Assistance from the Centre. How far have you realised this? On page 3, total capital expenditure, etc, it is 562 lakhs and this has to be met from 603 lakhs from public debt incurred. You should provide 300 lakhs from the treasury bills and 400 lakhs from the Centre. Have you been able to get this amount from the Central Government, I want to know? The execution of capital works depends on the assistance we get from the Central Government. I want to know whether you are able to get 400 lakhs from the Centre and 300 lakhs from the treasury bills as you have provided in the Budget. If you have done it, then, I would say 'You are right'; if you have not, your budget is wrong and you have provided there to mislead the public.

Similarly, you have stated that it is proposed to meet the expenditure for Thungabhadra Project and Nugu and others, from Central Assistance. It is only a proposal. You have not yet received that amount from the Centre. If you had received, then alone you should have provided this amount towards the expenditure. It is still at the stage of proposal.

Sir, this state of our financial position makes us very anxious. We are all anxious that our financial position must be sound and we must improve it. How to improve is a matter which should engage the attention of the Government and other members also. I know, the Government will straightaway ask us, "You please be prepared to shoulder extra taxation" and say that that is the only source of stabilising the finances. Sir, I must submit that the present Government, the Congress Government, has already taxed people, rather over-taxed the people, so much so that people are not in a position to pay any more taxes.

Sri H. S. RUDRAPPA (Honnali).—They will tax the Opposition Leader.

Sri J. MOHAMED IMAM.—Yes; I have been paying through my nose.

10 A. M.

Even if they have recourse to additional taxation what is the amount that they could realise? Perhaps they have in view one tax, namely, tax on agricultural income; beyond that there is nothing. They have exhausted all other sources of Revenue. Regarding that I will speak when the proposal materialises and is placed before the House. But I warn that there will be a strong opposition, wholesale opposition by this House if the Government try to levy a tax on agricultural produce. Let them not think of it. Let them think of some other source which would be more profitable, more lucrative and which will bring in more revenue to the State.

Apart from indiscriminate expenditure that the Government have indulged in till now, I must speak of two other causes that reduced the State to the present position. I must state that the policy of the Government of India is to a great extent responsible to reduce us to this pitiable condition. I refer to the integration policy adopted by the Government of India which has deprived us of all our fruitful and elastic sources of revenue.

Sri A. BHEEMAPPA NAIK.—That is past history.

Sri J. MOHAMED IMAM.—Yes, but it is present history also. It continues; as a consequence of all these facts, our financial position is very much worsened You must, therefore, analyse this properly and see if anything can be done. We are asked by the Centre to shoulder an extra commitment of nearly 50 lakhs of normal expenditure and an

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additional expenditure of 3 to 4 crores on account of Thungabhadra Project. They have asked us to administer the transferred territory. This has involved us in a greater expenditure. I expected that at such a critical time as this, in this interim period, the Government of India would come to our rescue and give us adequate aid to carry on the administration and also the development activities. But it looks as though they are not looking to our interests. I was told that they have given very good financial assistance to the State of Andhra. I submit that at such a time the entire cost of building the Thungabhadra Project and other allied progressive works must be borne by the Centre. The present position of the State does not admit us to bear this extra cost and I hope the Government will take interest and pursue the matter further. This is my complaint againt the Government. They do not realise the seriousness of the situation. They simply keep quiet. They should have taken up the matter long ago and approached the Centre and told them: "You want us to hold the baby, but how to feed the baby? So give us the necessary milk". You must approach them and tell them that at least during the interim period they must give us the necessary financial assistance to see that the trust placed in us by the transferred area will materialise. I hope you will take the necessary steps on this point even at the point of displeasing the Centre.

Again we have a right to tell them: "Every year we have been contributing more than 10 crores to the Central Government by way of taxation. The State of Mysore contributes about 3 crores by way of income-tax, more than 5 crores by way of Central Excise Duties, one crore on railways and I think one or two crores through customs and duties; out of which we get only 3½ crores as subsidy. But this is veryin sufficient." We as rate-payers ask the Central Government, "We are contributing more than 10 crores to the Central Government, but what is it that we would get in return?" I pay the taxes because I expect some benefit from the Centre in return. But here I feel that although I contribute a large amount as tax, very little is spent for our benefit. They may state: "We have got the Five-Year Plan, we are going to spend 2,400 crores on it." Even in this respect, I must state that Mysore has not been treated fairly. At least according to the population basis they would have allocated the amount. The population of India is 30 crores and taking the population of Mysore as one crore, Mysore is entitled to get at least 80 crores.

Sri A. BHEEMAPPA NAIK.—Divide by metes and bounds?

Sri J. MOHAMED IMAM.—That is one way. There must be some fair distribution; 80 crores at least must be given by them. On the other hand, according to the Five-Year Plan as it applies to Mysore, it is only 36 crores and we are expected to find the entire amount needed. What is the use of such a Plan which cannot be implemented? I must state that Mysore and South India are being neglected by the Centre and not treated in the same way as those Provinces that are very near to the capital of the Centre. You must fight out for a greater share; at least 50 per cent of the tax amount that goes to the Centre must be handed back to the State. The Integration Agreement that has been arrived at between the Central Government and the State is out of date now and has to be revised and I hope the Government will place before the Centre our helpless financial position and will see that the State gets a greater share under thet erms of integration. I believe this has already been placed before the Taxation Enquiry Committee and I believe also that non-officials that were invited have placed this view and I hope the Centre will take all these things into consideration and allot a greater share to Mysore.

The third aspect I have to lay before this House is that the Government is not showing any signs of retrenchment or bringing down the expenditure even though our financial position is becom-

ing worse and worse. They are undertaking more and more liabilities–more and more ideological schemes and spending more and more on buildings which are not absolutely necessary at the present time. I have already referred to Vidhana Soudha. However desirable it may be, this is not the time for its construction. It ought to have been taken up some time later because to spend more than a crore of rupees on it is a big drain at present on the State's finances. This is not the time to incur expenditure on it. You must give up ideological schemes as Cultural Development, Literary Development and such things. You must devote greater and greater attention towards bringing down the cost of administration and scrupulously avoid any extra item of expenditure. But I regret that though a series of promises were made by the Finance Minister that he would do his best to cut down the establishment and expenditure, he has not taken any step further. On the other hand, the administration is moving on the reverse gear and the expenditure is going up year by year.

Last time myself and my friend Sri K. Pattabhiraman advocated very vehemently that the Government should set up a committee to go into all these financial matters and suggest retrenchments and to place before the Government a sound financial policy. The Minister for Law promised that he would consider this suggestion favourably; but I think the Minister for Finance did not view it favourably. It looks as though we have been asking for the appointment of a committee to embarrass the Government. It is not at all the case. We want a committee to help the Government and the State. Otherwise, if you do not heed to our suggestion and if you go on and continue in the same reckless, in the same indiscriminate way, then I am sure, the people of the State will have to rue the day on which they voted you into power. Have you taken their economic position into consideration now? Has their economic position improved in any way during the last 7 years of your administration? On the other hand, I must state, it is going from bad to worse. What is their power of earning? I was told that the *per capita* income in America is 2,400 per annum; in England it is between 800 to 1000, whereas in India it is about 70 to 80 rupees subject to correction. That is the economic position of an ordinary Indian citizen. You have not improved his economic position, nor his earning capacity. On the other hand, you have loaded him with taxation to such an extent that he can hardly bear. He has not the means to sustain himself and his family. I must therefore state that any further attempt on your part to load him with fresh taxation will be the last straw to break the camel's back.

Sri A. BHEEMAPPA NAIK.—What is the per capita income when you were a Minister and what is it today? You seem to have calculated the figures very much.

Sri J. MOHAMED IMAM.—If you can tell me what is the per capita income, then I will stand corrected.

Sri P. R. RAMAIYA (Basavangudi).—It is 220 rupees.

Sri J. MOHAMED IMAM.—I am not sure of that.

Sri A. BHEEMAPPA NAIK.—Let us compare the periods when you were the Minister and today. It has definitely improved.

Sri J. MOHAMED IMAM.—I must say that during the time I was a Minister, it was at least 5 rupees higher than what it is now. Apart from that, I may say, people were happier because they were not burdened with all these taxes. They were much happier; their places then were quite safe and secure.

Sri KADIDAL MANJAPPA.—For rich people.

Sri J. MOHAMED IMAM.—But everything is uncertain now. For 25 years till 1948, the State carried on its administration with all its progessive works without any taxation. That is why I said that was a period of peace and prosperity.

Sri R. ANANTARAMAN (Chamarajapet).—But people were not free then.

Sri J. MOHAMED IMAM.—They were absolutely free and more free than they are now. At least they were free from worries and from cares. Look at the number of taxes you have levied! The State Government levies the tax, the Central Government levies the tax and the Local Bodies levy the tax; right up from the Central Government down to the Local authorities they all levy taxes. Sales-tax you levy on cloth, on milk and again the Centre comes forward with their death duties. The only tax that has to be levied hereafter is tax on births. How can you say that people are happier now? I state people were happy during my ministry. They were assured of their future.

Sri KADIDAL MANJAPPA.—Rich men are always assured.

Sri J. MOHAMED IMAM.—Why rich only, both the rich and the poor. Have you not taxed the poor man, leave alone the rich? What about the Sales Tax? What about the indirect taxes? They always affect the poor. I have no objection if you levy direct taxes; but tax on commodities, Sales Tax on Petrol—are all levied by you on the poor man. Thus you are getting more taxes from the poor man than from the rich man. So you need not pride youreself that you have taxed only the rich. You have taxed the poor man much more than the rich man. If the per capita income of the agriculturist is about 200 rupees a year, he has to pay more than half of that amount towards taxes. So how can he maintain his family and himself and live a decent living?

The food position in 1946 was much more satisfactory. Can you give me any instance of people dying of starvation? The food position was quite sound. It is no use taking shelter. On the other hand, I must say conditions have deteriorated absolutely, economically, socially, and financially, so much so, that all the people of the State are in a state of nervousne s. The entire equilibrium, socially, financially and politically is upset. I do not know how the Government restore conditions and create confidence. So, Sir, I have stated enough. This is a matter which has to be considered seriously. What is more, I demand an explanation from the Government as to how they are going to meet all these items of expenditure and from which source. The total sum for which supplementary estimates have been given after the regular Budget was passed comes to nearly five crores. I want to know from which sources they are going to meet; where they are going to find funds. Government may say, there will be savings. But they must tell us on which item there is going to be saving.

There is another omission of the Government. They must give a review of the financial position of the State as to how the original budget has been implemented and the various items of expenditure that have been incurred. That was being done before. Perhaps you might remember that the Dewan in his Address to the Assembly would give a complete review and a picture of the financial position as it existed at that time, and if there were any savings in any Department, he would refer to them also. If any Department needed extra expenditure, he would point out. Such a thing is not being done now. The Government is not at all sure of what is happening till now and under what item there has been savings and under what items there has been extra expenditure. If there has been substantial savings under any head that could be re-appropriated instead of asking us to vote this huge expenditure. Sir, I may suggest in this connection that hereafter the Finance Minister must give us a clear financial picture and the financial transactions that have taken place up to the time of the meeting of each Session. That will be a sound policy and that will also clear many of our doubts and that will besides give us a true picture of our finances.

With these remarks, Sir, I submit that we cannot give our approval to these supplementary estimates which are based on uncertain review of the financial position and which are characteristic of indiscriminate

expenditure and financing is very confused.

Mr. SPEAKER.—The House will now rise for lunch and meet at 10-50.

The House adjourned for Lunch at Twenty Minutes past Ten of the Clock and reassembled at Fifty Minutes past Ten of the Clock.

[Mr. SPEAKER in the Chair.]

PAPERS LAID ON THE TABLE

RULES REGULATING RECRUITMENT TO MUNSIFFS' CADRE IN MYSORE JUDICIAL SERVICE.

Sri A. G. RAMACHANDRA RAO (Minister for Law and Education).—Sir, with the permission of the Chair, I wish to lay on the Table of the House the Rules framed by the Rajpramukh of Mysore in exercise of the powers conferred by Article 284 and proviso to Article 309 of the Constitution of India after consultation with the Mysore Public Service Commission and the High Court of Mysore regulating the recruitment to the cadre of Munsiffs in the Mysore Judicial service. Copies will be printed and distributed.

MYSORE APPROPRIATION BILL, 1954

(Contd.)

* Sri M. V. RAMA RAO (Tumkur).—Sir, I wish to confine my observations on the Appropriation Bill to three specific points. The first observation that I wish to make is that during the course of the debate on the Appropriation Bill comments on the administration are necessarily limited to the accounts of the administration contained in the reports furnished for the year that has already passed and in the nature of things, it will not be possible to confine these comments to the appropriation of sums, demands in respect of which have been actually placed before the House at present. Sir, the finance account for the year 1950-51 and the Appropriation Accounts for 1950-51 together with the audited report thereon have been printed in the months of June and July 1953. Copies of these reports have been placed on the Table of the House during this Session and copies have been circulated to Members of this Hon'ble House early this week. I find that the Appropriation Accounts that have been handed over to us have been printed in the Government Press as long ago as July 1953 and the Finance Accounts have been printed on 24th July 1953. Sir, this House is aware, as I hope the Government is also aware, that this House was in Session during July and also for some time during the month of August 1953. The reason as to why these accounts were not circulated to the Members of the House earlier, so far as the Secretariat of this Legislature is concerned, I understand, is that these Reports could not be circulated unless and until they were presented to the House in the manner contemplated in the Constitution of India. I should like to know from the Government what prevented them from presenting these Reports to the House when the House was actually in session and after these reports were made ready and got printed in the Government Press during July and even June 1953. Whatever may be the reasons which might explain the delay on the part of the Government, I should like to say that Members of this House would be put to very serious disadvantage if such reports are not placed in their hands at the proper time because it will create a handicap for Members to make their observations on the way Government monies have been appropriated by the Government for actual expenditure in the course of the financial year, as their action cannot be examined and cannot be understood by Members of this House without reference to the various irregularities, defects and shortcomings in the appropriation or in the accounts which have been pointed out in these reports.

11 A. M.

Sir, I had tabled a question which has actually been answered on the floor of this House during this Session which